

NATIONAL DEFENSE UNIVERSITY

NATIONAL WAR COLLEGE

NORTH KOREA: DEALING WITH A DICTATOR

DICK K. NANTO, CRS

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FUNDAMENTALS OF STRATEGIC LOGIC

SEMINAR H

PROFESSOR
DR. I.J. SINGH

ADVISOR
DR. CHARLES STEVENSON

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NORTH KOREA: DEALING WITH A DICTATOR

INTRODUCTION

Current U.S. policy with respect to the Democratic People's Republic of Korea (DPRK or North Korea) has achieved meager results and needs to be revamped. This paper examines U.S. interests and policies, shows why some have not been effective, and then proposes a new policy package based on three strategies: (1) convincing North Korea that developing nuclear weapons decreases, not increases, its security, (2) creating tension within the North Korean military over the increasing cost and effort required to develop and protect its nuclear weapons, and (3) weakening the hold by Pyongyang on the daily lives of its citizens by facilitating international economic and diplomatic interchange.

U.S. Interests and Goals

The DPRK threatens several U.S. national interests. It threatens U.S. security through its development and potential proliferation of nuclear weapons as well as other weapons of mass destruction. It also has been developing missile delivery systems that currently have the range to reach South Korea and Japan and reportedly is working on a missile (Taep'o-dong 2) that can reach the continental United States. Its conventional forces are concentrated along the demilitarized zone within striking distance of South Korean population centers and U.S. forces. North Korea's dictatorial, communist, and oppressive regime headed by Kim Jong-il runs counter to U.S. values of freedom, liberty, human rights, democracy, and economic choice.

The immediate U.S. goals with respect to the DPRK include: (1) to halt or eliminate its development of nuclear or other weapons of mass destruction; (2) to reduce the threat of war on the Korean peninsula; (3) to curtail illegal and questionable activities by North Korea to include

sales of missiles, illegal drugs, counterfeiting of currency, and proliferation of weapons of mass destruction, particularly to terrorist groups; (4) to curtail participation by North Korea in international terrorist activity to include harboring suspected terrorists; and (5) to induce economic, political, and societal change in the country that could weaken the Kim regime.¹

Current U.S. Policy

Current U.S. policy with respect to the DPRK includes: (1) diplomatic engagement through the six-party talks that include the United States, North Korea, China, Japan, South Korea, and Russia (met once in August 2003); (2) non-proliferation efforts, including the Proliferation Security Initiative; (3) international efforts to counter trafficking by North Korea in illegal drugs, counterfeit currency, or other contraband; (4) maintenance of U.S. military forces in South Korea, Japan, and elsewhere in the Pacific as a credible deterrent against North Korean aggression; (5) economic sanctions and diplomatic isolation; (6) keeping North Korea on the U.S. list of terrorist states, and (7) keeping North Korea from joining the international financial institutions. The 1994 Framework Agreement to provide two light-water nuclear reactors and heavy fuel oil in exchange for North Korea's halt in its heavy-water nuclear generating plant and development of nuclear weapons is now on hold (having been violated by both sides).

Current policy, while still a work in progress, has not deterred North Korea from developing nuclear weapons, has not visibly weakened the Kim regime, has not eased tensions in the Korean peninsula, and has not induced greater regard by Pyongyang for human rights, democracy, or a more open economy. With respect to nuclear weapons, while the 1994 Framework Agreement was being observed, North Korea did close down its heavy water nuclear

¹ Martin Sieff, "Analysis: China Plays N. Korea Card," United Press International, 5 September 2003.

plant and allow the spent fuel rods to be sealed and inspected by the International Atomic Energy Agency (IAEA). However, it violated the spirit of the Agreement (and another agreement to keep the Korean Peninsula nuclear free) by embarking on a program to enrich uranium. North Korea, subsequently, expelled the IAEA inspectors, withdrew from the Nuclear Non-Proliferation Agreement, and on 2 October 2003, claimed (so far unsubstantiated) that it had completed reprocessing 8,000 spent fuel rods and was using the plutonium to make nuclear bombs.² Pyongyang, however, has yet to test or deploy a nuclear weapon. If its program is not halted, however, the country seems well on the way to developing both an arsenal of nuclear weapons and the missiles to deliver them to targets in the region and beyond.

North Korea claims that the reasons for its nuclear program are to deter an attack by the United States and to use them if South Korea starts a war or to devastate Japan to prevent the United States from participating in such a war.³ The nuclear program also enables it to gain international prestige, to exercise a degree of hegemony over South Korea, and to extract economic assistance from other countries. Pyongyang is unlikely to abandon this nuclear program without significant changes in the underlying reasons for its existence. Its fear of being attacked have been exacerbated by its inclusion in the “axis of evil,” the Bush doctrine of preemptive strikes, and the U.S.-led invasion of Iraq.⁴

Economic sanctions also have not worked. Despite deep privation and negative growth during the mid-1990s, the sanctions have had little effect on Pyongyang’s behavior in ways that

² James Brooke, “North Korea Says It Is Using Plutonium to Make A-Bombs,” *The New York Times*, 2 October 2003, p. A1.

³ Jane’s Information Group. Armed Forces, Korea, North. Jane’s Sentinel Security Assessment, 4 March 2003.

⁴ Laney, James T and Jason T. Shaplen. “How to Deal With North Korea,” *Foreign Affairs*, March/April 2003. p. 20-21.

would achieve U.S. ends. The ruling elite and military have first priority on scarce food and other supplies. The Kim regime allots economic privileges to its insiders. Peasants may starve, but party members party on. The sanctions, moreover, have primarily been American. North Korea continues to trade with other countries as well as to receive humanitarian food aid. In 2002, North Korea imported a total of \$1.9 billion while exporting \$1.0 billion.⁵ Official development assistance to North Korea in 2001 totaled \$119.3 million.⁶ In some respects sanctions have made a bad situation worse. The poor state of the North Korean economy has generated a deficit in trade that Pyongyang has attempted to fill through trade in illegal drugs and missiles. Food scarcity also has pushed numerous refugees into China and South Korea. Economic sanctions also do not appear to have materially undermined the Kim regime. Internal dissident forces appear too weak and Kim's control over his military seems too strong for a domestic *coup* to occur.⁷

In terms of non-proliferation, the Proliferation Security Initiative has not been operating long enough to judge its effectiveness. The strategy of the initiative has not been to appeal to the United Nations to impose sanctions on North Korea but to have a coalition of eleven countries, including the United States, Japan, Australia, France, and Germany make use of existing national laws to inspect North Korean ships in their waters—thereby complicating North Korean efforts to smuggle illicit weapons, drugs and counterfeit currency.

⁵ Republic of Korea. Korea Trade-Investment Agency. Overseas Trade Center Reports. (Data include trade between North and South Korea.)

⁶ Organisation for Economic Cooperation and Development. *Geographical Distribution of Financial Flows to Aid Recipients, 1997-2001*. (Paris, OECD, 2003) p. 164.

⁷ The only significant power base that might challenge the regime is the military. Since Kim Jong-il became Chariman of the National Defence Commission, however, he has promoted 230 generals. Most of the army's 1,200-strong general officer corps owe their allegiance to him. Jane's Information Group, "Internal Affairs, Korea, North," *Jane's Sentinel Security Assessment*. 10 June 2003.

With respect to North Korea and terrorism, the United States has kept North Korea on its list of terrorist states primarily because of past terrorist activity. The blowing up of an airliner with South Korean government officials on board and the harboring of Japanese Red Army members from the 1960s are the two primary reasons for keeping the DPRK on the terrorist list. North Korea, however, is suspected to have trained terrorists, possibly have sold weapons directly or indirectly to terrorist groups.⁸ Being on this list requires the United States to impose certain trade restrictions.

A New Policy Package

This policy package for North Korea combines existing policies that appear to be working with new policies that appear to have a higher probability of success. Table 1 summarizes the major negotiating priorities and bargaining chips for each side in the six-party talks. Any policy package must address the priorities of each nation.

Table 1. Major Priorities and Bargaining Chips by Country in the Six-Party Talks

Country	Priority	Bargaining Chips
United States	Complete, verifiable, and irrevocable scrapping of nuclear weapons; non-proliferation	Guarantee security & regime; economic aid
North Korea	Guarantee security and regime; establish diplomatic relations with the U.S. and Japan; reunification	Scrap nuclear weapons and missiles
South Korea	Set framework for peaceful resolution and prosperity on the peninsula; reunification	Economic support
Japan	Scrap nuclear weapons program and missiles; resolve abductions of Japanese citizens	Diplomacy, economic support
China	Non-proliferation; continued influence on peninsula	Economic support
Russia	Scrap N. Korean nuclear weapons; promote stability in N.E. Asia	Buffer diplomacy
Source: Adapted from: <i>The Seoul Economic Daily</i> , 22 August 2003, cited in Hong Soon-Jick, "North Korean Nuclear Crisis: Prospects and Policy Directions," <i>East Asian Review</i> , Vol. 15, No. 3, Autumn 2003, p. 31.		

⁸ Oppenheimer, A. "North Korea: Sponsor of Terrorism?" *Jane's Terrorism & Security Monitor*, 1 October 2003.

The highest priority for the United States, Japan, and Russia is for North Korea to scrap its nuclear weapons program. Japan also is concerned about North Korean missiles (which have been fired over Japan) and resolving the abduction of its citizens. In addition, the United States, China, and Japan seek non-proliferation, while South Korea seeks a framework for rapprochement with the North and peace and prosperity on the peninsula.

Pyongyang's primary goals appear to include: (1) preservation of communist rule under Kim Jong-il, (2) warding off a possible preemptive attack by the United States or its allies, and (3) obtaining economic assistance for its ailing economy.

U.S. assumptions with respect to North Korea include the following: (1) unless an agreement includes stringent monitoring mechanisms, Pyongyang will cheat on the agreement; (2) economic privation in North Korea mainly affects the population outside of Pyongyang and only indirectly affects the military and party leaders, (3) popular sentiment opposing the current regime is weak or suppressed sufficiently for Kim Jong-il to remain in power for an indefinite period of time, (4) any U.S. attack on North Korea would result in an immediate counter-attack on Seoul and other targets in South Korea that, even using existing conventional weaponry, would cause widespread damage and numerous deaths; (5) any North Korean use of nuclear weapons on the United States, South Korea, Japan or other allies would trigger retaliation that likely would destroy Pyongyang, other North Korean population centers, military installations, and many other targets; (6) current U.S. and South Korean forces are more than sufficient to maintain peace on the peninsula and could be reduced; and (7) the border between China and North Korea is porous, particularly in winter when rivers are frozen and electricity so scarce that few lights operate.

Format—the Six-Party Talks. The negotiations are to continue under the current format of the six-party talks. This brings all major players to the table and exposes China and Russia to North Korean obstinacy. The United States, China, Japan, and South Korea should insist, however, that North Korea send a higher-ranking negotiator to the talks who can do more than deliver prepared scripts from Pyongyang.

North Korea's Nuclear Program and Kim Regime Security. These two top issues for each side must first be paired in the negotiations. The strategy is to convince North Korea that proceeding with its nuclear weapons program will decrease, not increase, its security. Even though North Korea has insisted on a formal treaty guaranteeing its security, it would be offered a written document of security (non-aggression) signed by the United States, South Korea, and Japan. In exchange, North Korea also would sign such a document of non-aggression and would agree to first freeze and then phase-in the destruction or removal from the country all material and equipment related to the production of nuclear weapons. The country would again sign the Nuclear Non-Proliferation Treaty (it withdrew in March 1993) and allow the International Atomic Energy Agency to verify its compliance.

As an inducement, North Korea would be warned that if it does not agree to the above, the next step would be for the United States, South Korea, and Japan to begin planning for nuclear deterrence and balance in northeast Asia. An expensive arms race in Northeast Asia would ensue that would require huge public expenditures that would divert needed funds from the conventional military in all countries in the region (including North Korea). Pyongyang would end up being surrounded by hostile, nuclear-armed states—a condition that would decrease, not increase, its security. While any nuclear weapons or missile defense system introduced into the region would primarily be American, Japan and South Korea would not be precluded from

developing their own nuclear and defensive capabilities. A preemptive strike against North Korea's nuclear facilities, although unlikely, also would not be ruled out. This would generate tensions among Pyongyang's military leaders over strategy and budget allocations, as an increased proportion of its funds would have to be allocated toward protecting and developing nuclear weapons at a time when resources already are scarce.

Non-Proliferation/Aid/Trade/Normalization/IFIs. The second part of this policy package would pair a variety of interests on each side. The strategy would be to generate interests in and dependency on international trade, investment, and greater interaction with the outside world that could weaken the hold by Pyongyang on the daily lives of citizens. It also would reduce pressures on North Korea to engage in illicit trade in order to cover its trade deficit and would diminish the need for Pyongyang to saber rattle in order to divert attention from its domestic problems. These items also would provide for a more open and market-oriented economy in North Korea and reduce the country's isolation by reopening diplomatic and trade relations with the United States and Japan. Some of the items in this part of the package could take years to accomplish. Therefore, the agreement providing a security guarantee and the dismantling of North Korea's nuclear program should go forward independently.

As an added inducement and as stipulated in the 1994 Agreed Framework, the United States would restart its shipments of 500,000 tons of heavy fuel oil per year to North Korea, and construction would resume on one light water nuclear reactor (financed and being construction primarily by South Korea, Japan, and the European Union).

Japan and the DPRK would restart negotiations to normalize relations. Both countries would resolve certain issues to include the status and return of Japanese citizens kidnapped by North Korea, North Korea's missile firings over Japan, and incursions by suspected North

Korean espionage and drug-running ships into Japanese waters. Upon conclusion of these normalization talks, Japan would pay North Korea in compensation for its occupation \$5 to \$10 billion⁹ of which half would be deposited in the Asian Development Bank for use by North Korea on a project basis. North Korea would apply for membership in the International Monetary Fund, World Bank, and Asian Development Bank, and the United States would not block DPRK membership in these international financial institutions (North Korea would have to meet the membership requirements).

The United States and the DPRK also would begin negotiations on a bilateral trade agreement with a target period of negotiation of no more than four years. The trade agreement would cover goods, services, and investments and would be modeled after the bilateral trade agreement concluded between the United States and the Socialist Republic of Vietnam in 2001.¹⁰ Upon implementation of the trade agreement, each country would accord the other most favored nation (normal trade relations) status.

The United States, Japan, and the DPRK would commence negotiations to remove the DPRK from the U.S. State Department's list of nations that support or sponsor international terrorism. In order to be removed from this list, North Korea would do the following: (1) issue a written guarantee that it no longer is engaged in terrorism; (2) provide evidence that it has not engaged in any terrorist act in the past year; (3) join international anti-terrorism agreements; and (4) address issues of past support of terrorism (particularly the harboring of Japanese Red Army terrorists and kidnapping of Japanese citizens). Removal from the list would require

⁹ See: U.S. Library of Congress, Congressional Research Service. *North Korea-Japan Relations: The Normalization Talks and the Compensation/Reparations Issue*, by Mark E. Manyin. Updated 12 September 2002. 6 p.

Congressional concurrence. Once off this list, North Korea would become eligible for U.S. foreign aid, loans from the U.S. Export-Import Bank, loans from international financial organizations in which it has membership, and an easing of U.S. export control requirements.¹¹

The risks of this policy package are that North Korea might not agree to scrap its nuclear program or agree and then cheat again. In that case, tensions would escalate, and options such as sabotage of the Yongbyon nuclear facility or a preemptive invasion could be considered. Absent those extreme measures, the world may have to learn to live with a nuclear-armed North Korea much as it has learned to live with a nuclear-armed Pakistan and India. Another risk is that the United States would be perceived as being blackmailed and giving too much away to a dictator who regularly violates the human rights of his people.

The benefits of this package are that it has relatively low financial costs but high benefits in terms of security for all six parties involved. The United States, Japan, South Korea, and European Union previously agreed to pay the costs of the heavy oil and light-water nuclear plant, while Japan already intends to provide compensation to North Korea for its occupation upon normalization of relations. The trade concessions from the United States help U.S. importers and exporters as much as North Koreans, since other nations already trade with that country. Liberalization of North Korean trade and investment relations, moreover, can work through the economy in the same way that it did in China and Russia. At some point, North Koreans may decide that getting rich is more beneficial to them than pouring adulation on their “Dear Leader” from an empty rice bowl.

¹⁰The White House, George W. Bush. “Presidential Proclamation: To Implement the Agreement Between the U.S. and Socialist Republic of Vietnam on Trade Relations,” 1 June 2001.

¹¹ See: U.S. Library of Congress, Congressional Research Service. *North Korea: Terrorism List Removal?*, by Larry Niksch and Raphael Perl. Updated 12 June 2001, 6p.

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